

Message Text

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62

ACTION SS-30

INFO OCT-01 ISO-00 /031 W

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R 091646Z SEP 74

FM AMEMBASSY BONN

TO SECSTATE WASHDC 4901

C O N F I D E N T I A L BONN 14250

EXDIS

PASS TREASURY FOR UNDER SECRETARY BENNETT AND ASSISTANT
SECRETARY COOPER: FRB FOR GOVERNOR WALLICH

E.O. 11652: GDS

TAGS: EFIN, GW

SUBJECT: HERSTATT

REF: BONN 12578

1. THE FINANCIAL ATTACHE TODAY FULLY BRIEFED
FINANCE MINISTRY ASSISTANT SECRETARY WEBER ON THE
DIFFERENTIAL TREATMENT OF HERSTATT CLEARINGS IN
COLOGNE AND FRANKFURT ON THE DAY OF THE HERSTATT
CLOSURE AS SEEN BY THE AMERICAN BANKS INVOLVED AND
REPORTED IN REFTEL.

2. WEBER SAID THE FINANCE MINISTRY HAD NOT BEEN AWARE
OF THIS ASPECT OF THE HERSTATT CLOSURE AND HE WOULD
REQUEST FURTHER INFORMATION AND COMMENTS ON IT FROM
THE BUNDESBANK. WEBER STRESSED THAT THIS WAS, OF
COURSE, A MATTER OF BUNDESBANK RATHER THAN GOVERNMENT
RESPONSIBILITY. BUT HE THOUGHT THAT IF IN FACT LOSSES
BY AMERICAN BANKS HAD OCCURRED BECAUSE OF NEGLIGENCE
BY THE CENTRAL BANK AUTHORITIES (I.E., THE FAILURE TO
NOTIFY THE HESSIAN LAND CENTRAL BANK IN TIME), IT
MIGHT BE POSSIBLE FOR FINANCE MINISTER APEL TO SPEAK
TO PRESIDENT KLASSEN AND URGE THAT SOME WAY SHOULD BE
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FOUND TO COMPENSATE THE COMMERCIAL BANKS INVOLVED

FOR THE RESULTING LOSSES.

3. COMMENT: WEBER'S REACTION WAS ONLY A VERY PRELIMINARY AND INFORMAL ONE. IT SHOULD BE BORNE IN MIND THAT KLASSEN'S FIRST REACTION WHEN BRIEFED ON THIS PROBLEM BY HILL SAMUELS APPARENTLY ALSO HAD BEEN TO PROMISE TO SEE IF COMPENSATION COULD BE ARRANGED. LATER HE CHANGED HIS MIND AND IN EFFECT ONLY INVITED HILL SAMUELS TO SUE THE BUNDESBANK. HILLENBRAND

NOTE BY OC/T: NOT PASSED ABOVE ADDRESSEES.

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